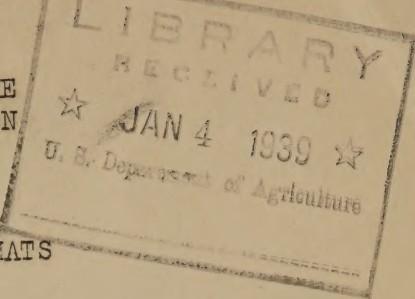


UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
AND EXTENSION SERVICE COOPERATING
WASHINGTON, D. C.

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SUGGESTED LEGENDS FOR TWO-COLUMN CHART MATS

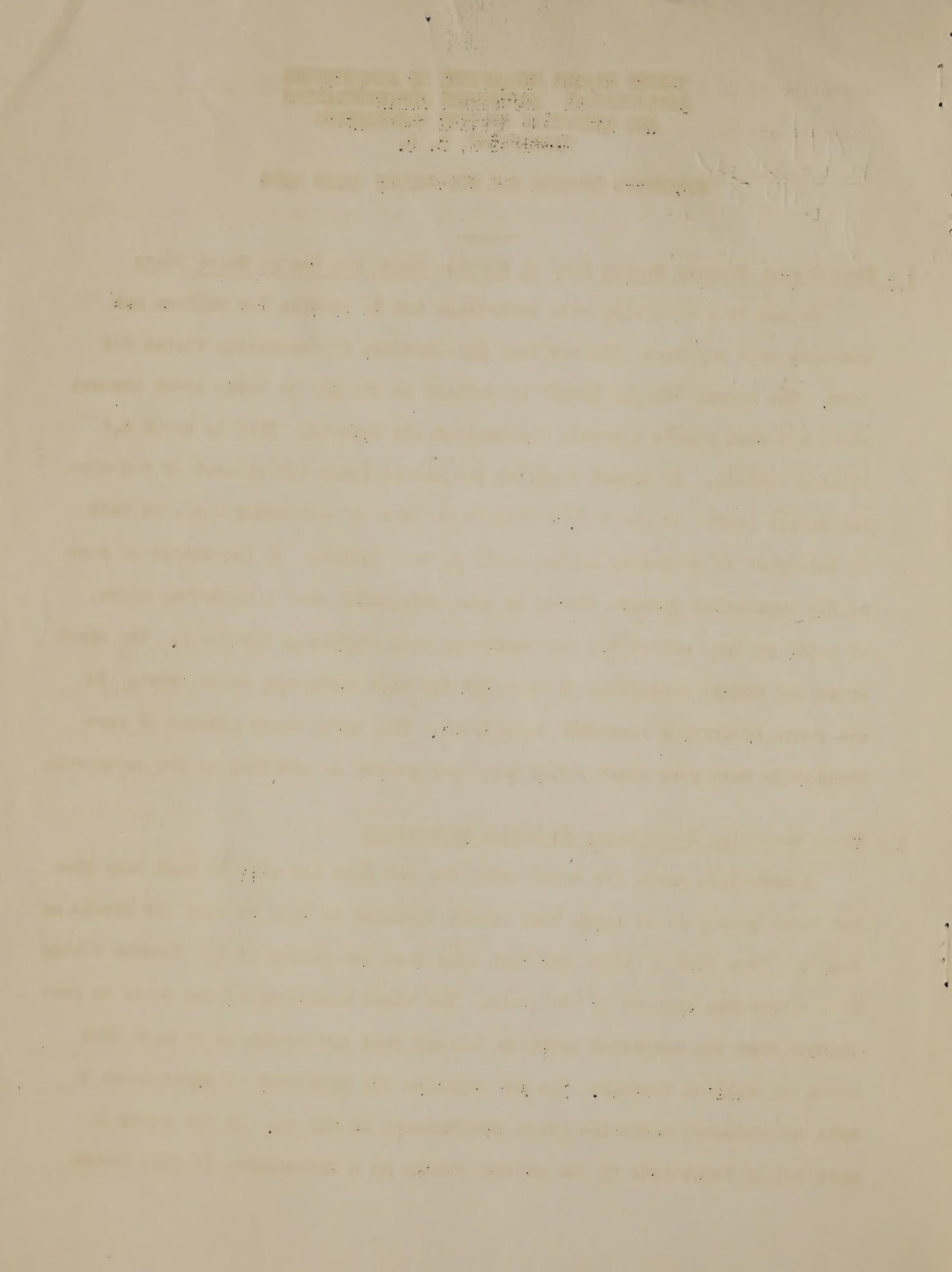


1 - Ever Normal Granary Stores Corn in Surplus Years for Use in Short Years

To aid in stabilizing corn marketings and to provide for uniform and adequate corn supplies, the new Farm Act provides for marketing quotas for corn. The normal "Supply Level" is defined in the Act as being seven percent above a normal year's domestic consumption and exports. This is about 2.5 billion bushels. If actual supplies for market reach 110 percent of the normal supply level, or about 2.75 billion bushels, a referendum would be held to determine if marketing quotas would go into effect. If two-thirds or more of the commercial growers voting in such referendum want a marketing quota, it would go into effect for the marketing year beginning October 1. The chart shows the annual production of corn and the 1938 marketing quota level. In ten years production exceeded this level. The table shows percent of production in each year which would have been stored in addition to the carryover.

2 - Wheat Marketing Quota Helps Stabilize Marketings

A marketing quota for wheat under the new Farm Act will be used only when the total supply is so large that prices threaten to fall to very low levels, as they did from 1928 to 1934, and then only when two-thirds of the farmers voting in a referendum approve of the quota. The wheat marketing quotas would be proclaimed when the estimated supplies for any year are estimated at more than about 950 million bushels. The Act requires the Secretary of Agriculture to make the national marketing quota announcement on May 15. If the quota is approved by two-thirds of the growers voting in a referendum, it will become



effective on July 1. There is to be no wheat quota for 1938 unless parity payments are made available.

3 - Wheat Prices Below Parity for Last 12 Years

Under the new Farm Act commodity loans will be offered farmers to enable them to hold their production when regular markets will not absorb it. The loans on wheat will be made in years when the farm price of wheat on June 15 is below 52 percent of the parity price, or when the July crop estimate is greater than a normal year's domestic consumption and exports. Under these terms loans would have been made in all years since 1923 except in 1925, 1933, 1934 and 1936. Under the Act, loans will be made at rates of not less than 52 percent and not more than 75 percent of the parity price at the beginning of the marketing year.

4 - Factory Workers Employed Because of Rural Trade

In 1929 about 1 1/2 million factory workers had jobs as a direct result of manufactured products bought by farmers. Farm cash income in that year was about 10 1/2 billion dollars. In 1932 when farm income was less than half the figure for 1929 this part of factory employment dropped to 850 thousand, because of reduced rural trade. From 1932 to 1937 farmers bought more manufactured products and factory employment increased. It is estimated that in 1933 two out of every five factory workers added to payrolls owed their jobs to improved farm conditions. The term factory workers does not include professional people, merchants, and those in the transportation industries.

5 - (RELEASE WHEN NOTIFIED BY WIRE) - Flue-Cured Marketing Quota for 1938 Announced.

As a means of keeping supply in line with demand at fair prices to farmers, the Agricultural Adjustment Act of 1938 provides marketing quotas for flue-cured tobacco in years when the total supply is above the reserve supply level.

The reserve supply is a normal year's domestic consumption and exports plus a normal carryover plus 5 percent. As the present total supply of flue-cured tobacco of (A) million pounds is above the reserve supply level of (B) million pounds, a marketing quota of (C) million pounds has been announced. This quota will apply to all flue-cured tobacco marketed from the 1938 crop if two-thirds or more of the tobacco farmers voting in a referendum want it. When a marketing quota is in effect, a penalty will be imposed on tobacco marketed in excess of the quota for the farm. This penalty will be 50 percent of the sale price, or 3 cents a pound, whichever is higher. (Will wire figures for spaces A, B, and C in about two weeks).

6 - (RELEASE WHEN NOTIFIED BY WIRE) - Fire-Cured and Dark Air-Cured Supply Near Reserve Supply Level

To prevent the piling up of excessive supplies of dark tobacco with their ruinous effect on prices, the new Farm Act provides for marketing quotas in years when the total supply exceeds the reserve supply level. The reserve supply level is a normal year's production and exports plus a normal carryover plus 5 percent. The supply of (A) million pounds is not in excess of the reserve supply level and therefore no quota is being announced for 1938. If on November 15, the 1938 crop is found to exceed (B) million pounds, the supply will likely be such that quotas would immediately become effective for the 1938 crop. The quota on fire-cured and dark air-cured tobacco would be the number of pounds the farmer could sell without a penalty, and would apply if two-thirds of the tobacco farmers voting in a referendum wanted it. (Will wire figures for spaces A and B in about two weeks).

7 - (RELEASE WHEN NOTIFIED BY WIRE) - Burley Supply Not Above Reserve Supply Level

To keep the supply of Burley tobacco in line with demand, the new Farm Act provides for the setting-up of marketing quotas when the total supply is above

the reserve supply level. This level is a normal year's production and exports plus a normal carryover plus 5 percent. Since the supply of (A) million pounds is not in excess of the reserve supply level of (B) million pounds, no quota is being announced for 1938. However, if on November 15 the 1938 crop is found to exceed (C) million pounds the supply will likely be such that quotas would immediately become effective for the 1938 crop. The quota on Burley tobacco would be the number of pounds the farmer could sell without a penalty, and would apply if two-thirds of the tobacco farmers voting in a referendum wanted it. (Will wire figures for spaces A, B and C in about two weeks).

8 - Income from Fruits and Vegetables Related to Income of Industrial Workers

Farmers' income from fruits and vegetables and the income of industrial workers are closely related. Both of these rise and fall with industrial activity. Unless city workers make money they cannot buy fruits and vegetables and without money growers cannot buy manufactured goods. The chart shows that in 1932 the income from fruits and vegetables dropped to 50 percent of the average for 1924-29 and the income of industrial workers fell to 46% of their average income for that period. In 1937 it is estimated that the income of the two groups was about 90% of the 1924-29 average.

9 - Our Foreign Sales Are Limited by Our Foreign Purchases

"To the degree that the United States buys, it is able to sell." Foreign countries must have dollars with which to purchase United States goods. The principal way they get money is by selling us goods. As a result, the value of our imports and exports have followed each other very closely. Other ways foreigners can obtain dollars from the United States include loans by Americans

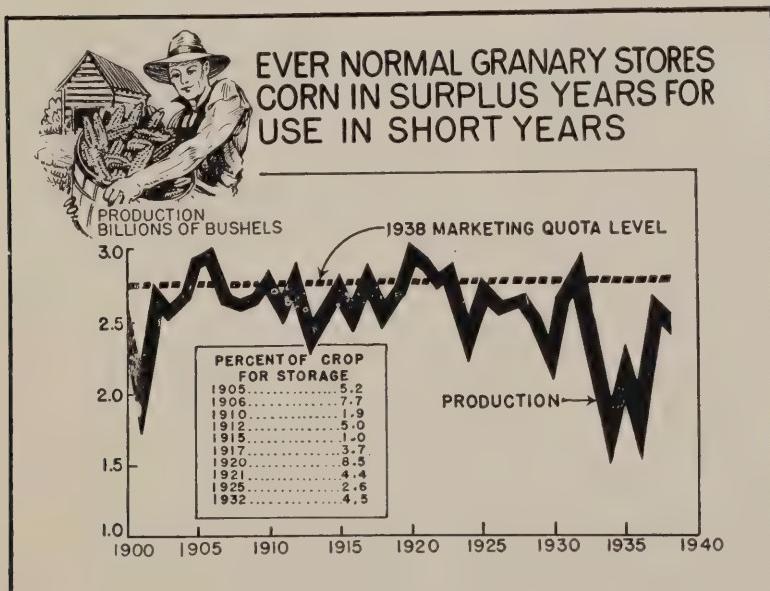
to foreigners, services such as those rendered by foreigners to American tourists, and gold sent to the United States from abroad. With the exception of services, none of these items is a permanent source of dollars. Even in the case of services, the amounts involved have never been enough to substitute for imports of goods into the United States. During the 1920's, when our tourist expenditures reached a record high level, the net payments of dollars to foreigners for service items did not, in any one year, reach as much as 15 percent of our dollar payments for imported goods. In most years the percentage was very much smaller than that.

10 - Cotton Exports Are Related to Total Imports

The chart shows that the general trend of our cotton exports is closely related to our total imports. This means an increase in total imports would tend to increase exports, and as cotton is our largest single export commodity bigger imports usually result in larger exports of cotton. From 1900 to 1919 the trend of both total imports and cotton exports was almost steadily upward. In 1920 and 1921 both fell sharply. Total imports recovered in 1922 and this was followed by an increase in cotton exports in 1923. The decline in total imports during the 1929-32 depression was accompanied by a corresponding drop in cotton exports. Cotton exports have not risen, however, with total imports since 1934 because of exchange controls and trade restrictions in foreign countries, and because of increased supplies of foreign cotton. In view of the relationship between cotton exports and total imports, any increase in trade, both export and import, helps the cotton farmer.

From Division of Information, Agricultural Adjustment Administration, U. S. Dept. of Agriculture, Washington, D. C. Additional information may be obtained from this office or from the County Agricultural Agent.

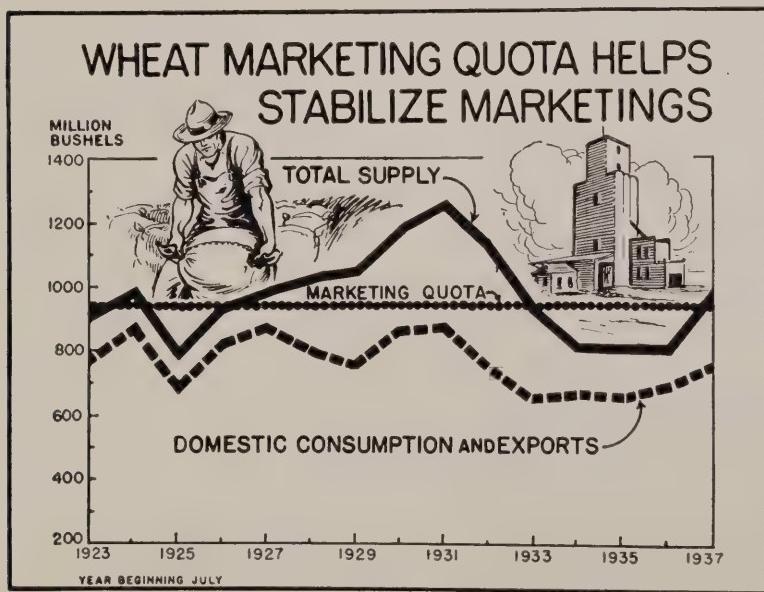
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Mat. No. 1

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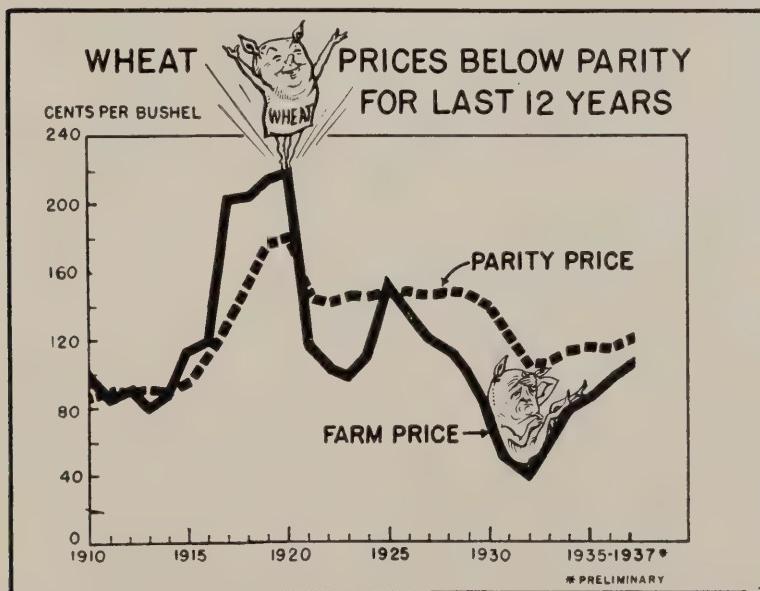
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Mat No. 2

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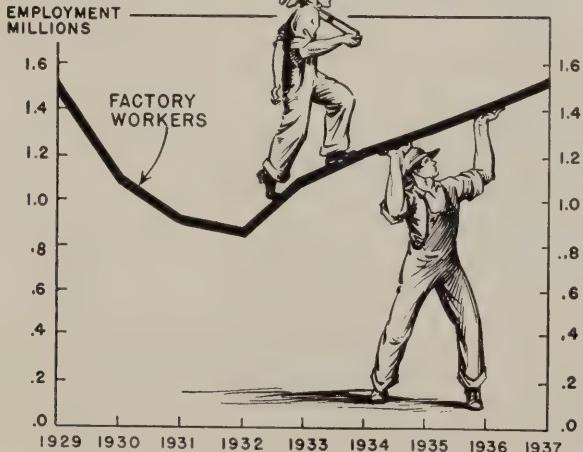


Mat No. 3

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FACTORY WORKERS EMPLOYED BECAUSE OF RURAL TRADE

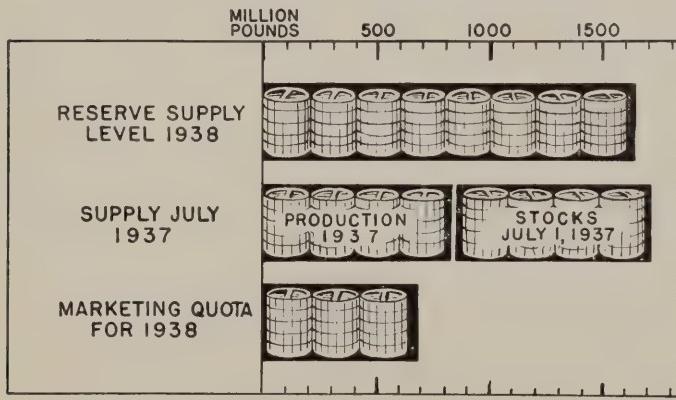


Mat No. 4

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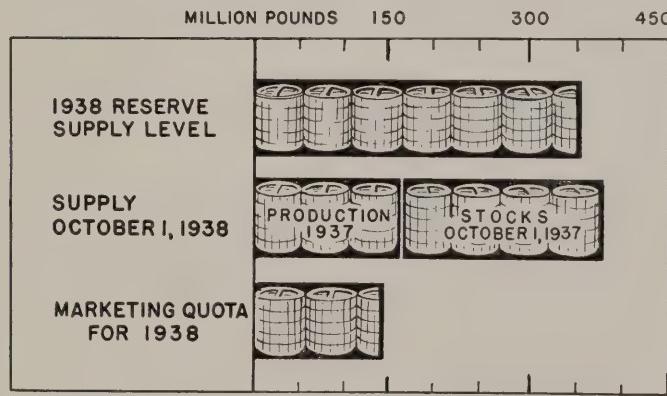
FLUE-CURED MARKETING QUOTA FOR 1938 ANNOUNCED



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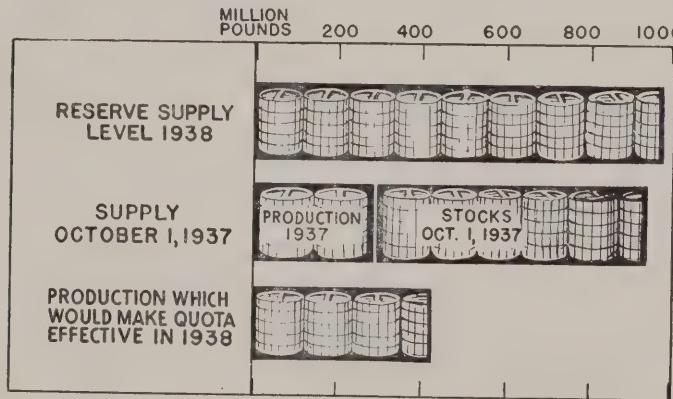
FIRE-CURED AND DARK AIR CURED TOBACCO MARKETING QUOTA ANNOUNCED



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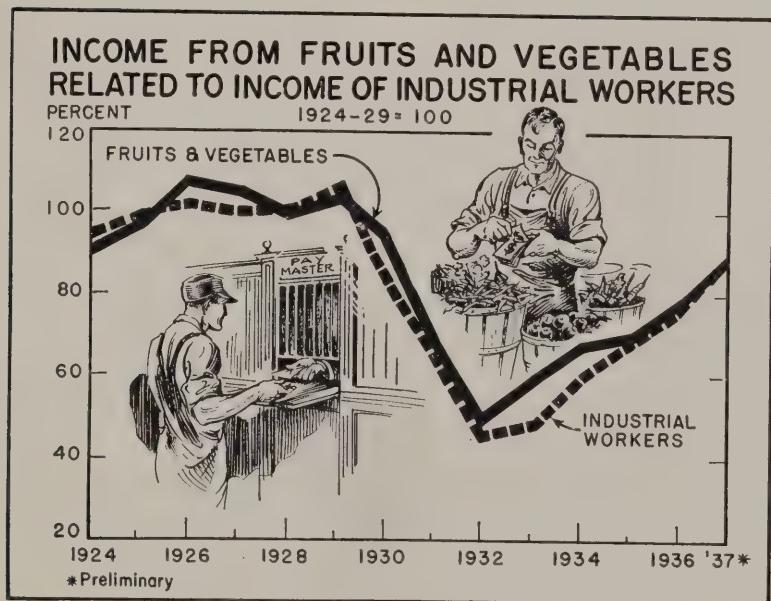
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BURLEY SUPPLY NOT ABOVE RESERVE SUPPLY LEVEL



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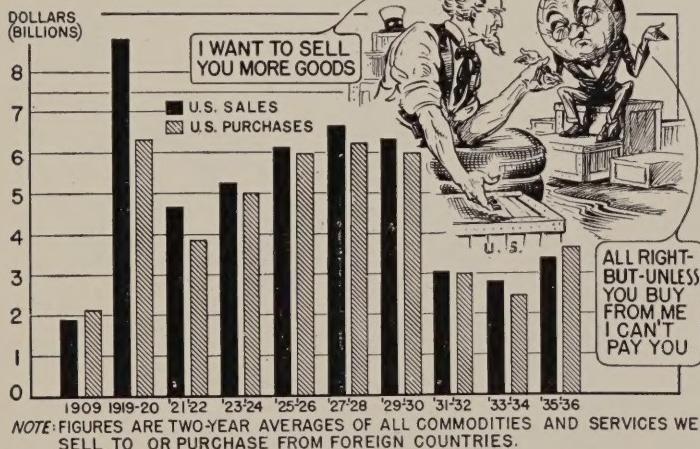
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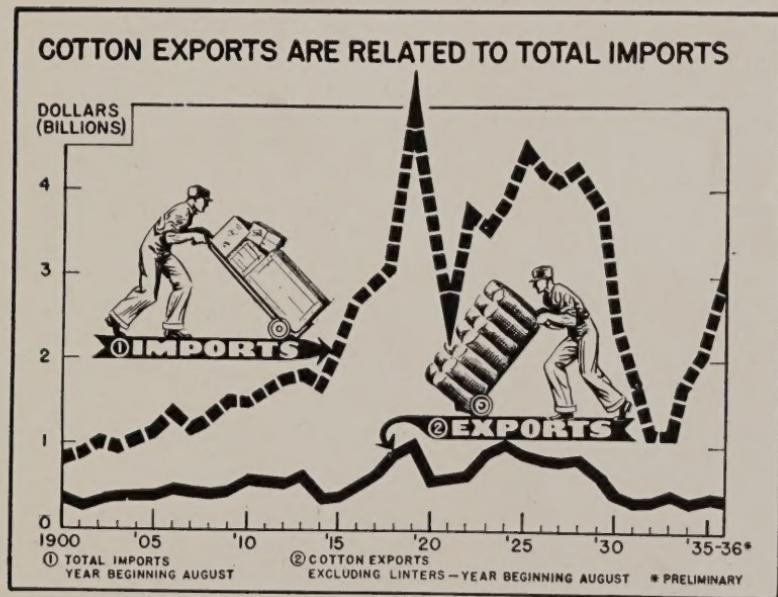
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OUR FOREIGN SALES ARE LIMITED BY OUR FOREIGN PURCHASES



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Mat. No. 10

